

LOAN BROKER INFORMATION

Applying for License as a Loan Broker

- Any person who, in return for any consideration from any source procures, attempts to procure, or assists in procuring a loan from a third party or any other person, whether or not the person seeking the loan actually obtains the loan, is required to become licensed under the Indiana Loan Broker Act (Ind. Code 23-2-5), unless the person is not considered a loan broker under [Ind. Code § 23-2-5-3\(e\)](#) or qualifies for an exemption under [Ind. Code § 23-2-5-19](#).
- **A person applying for a loan broker license must:**
 - Submit a properly completed application through the National Mortgage Licensing System. <http://www.stateregulatoryregistry.org/NMLS/> Licensing fee is paid through NMLS and is non-refundable;
 - Pay \$100.00 for each of the loan broker's ultimate equitable owners plus \$32.25 for each FBI criminal background check; the fees and fingerprint cards are sent directly to the Secretary of State's office;
 - Obtain a \$50,000 surety bond in effect for the full length of the licensing period with the obligee as State of Indiana, licensing is annual;
 - Obtain an FBI fingerprint card (FD258) for each Ultimate Equitable Owner, director, manager or officer; (see section "Federal Criminal Background Report: Explanation and Instructions" for more information), http://www.in.gov/sos/pdfs/Federal_Criminal_Background_Report.pdf;
 - Submit a properly completed branch application through the NMLS for each of the loan broker's branch office(s) located or engaging in origination activities in Indiana; and
 - Have a properly registered principal manager for each office location, including the principal office location (See the section "Applying for Registration as a Principal Manager or an Originator" for registration requirements).
- Loan Broker Licensees must renew their license annually between November 1 and December 31. The license expires on December 31 of the same year it was issued unless applying for an initial application during renewal period, if application is approved during the renewal period the license will expire December 31 of the year following issuance.

Applying for Registration as a Principal Manager or an Originator

- Any individual that engages in origination activities or serves as a Principal Manager on behalf of a licensed loan broker must register with the Indiana Secretary of State, Securities Division under the Indiana Loan Broker Act (Ind. Code 23-2-5).
- **Applicants for registration as a Principal Manager must:**
 - Submit a properly completed application through the National Mortgage Licensing System. <http://www.stateregulatoryregistry.org/NMLS/> Licensing fee is paid through NMLS and is non-refundable;
 - Complete 24-hours live of approved academic instruction (see section "Approved Educational Courses for Principal Managers & Originators" for a list of approved courses);
 - Successfully pass the required principal manager registration examination (see section "Principal Manager/Originator Registration Examination" for more information);
 - Obtain an FBI fingerprint card (FD258), (see section "Federal Criminal Background Report: Explanation and Instructions" for more information); and pay \$32.25 for each FBI criminal background check; the fee and fingerprint cards are sent directly to the Secretary of State's office;
 - Show proof that the individual has satisfied the minimum three (3) year experience requirement under [Ind. Code § 23-2-5-5\(c\)\(8\)](#); and
 - Show proof of employment before the individual may engage in origination activities or serve as a principal manager.

- **Applicants for registration as an Originator must:**
- Submit a properly completed application through the National Mortgage Licensing System. <http://www.stateregulatoryregistry.org/NMLS/> Licensing fee is paid through NMLS and is non-refundable;
 - Complete 24-hours live of approved academic instruction (see section "Approved Educational Courses for Principal Managers & Originators" for a list of approved courses);
 - Successfully pass the required originator registration examination (see section "Principal Manager/Originator Registration Examination" for more information);
 - Obtain an FBI fingerprint card (FD258), (see section "Federal Criminal Background Report: Explanation and Instructions" for more information); and pay \$32.25 for each FBI criminal background check; the fee and fingerprint cards are sent directly to the Secretary of State's office;
 - Show proof of employment before the individual may engage in origination activities.
- Principal Managers and Originators are required to complete six (6) hours of continuing education during each calendar year after the year in which their registration was issued to maintain their certificate of registration.
- Principal Managers and Originators must renew their registration annually between November 1 and December 31. The registration expires on December 31 of the same year it was issued unless applying for an initial application during renewal period, if application is approved during the renewal period the registration will expire December 31 of the year following issuance.

Who is Exempt?

- Effective July 1, 2008, The following individuals and entities are exempt under [Ind. Code § 23-2-5-19](#) and must inform the Division in writing that they are exempt. The burden of proof of any exemption provided is on the party claiming the exemption. Ind. Code § 23-2-5-19(d).
 - Any attorney while engaging in the practice of law;
 - Any certified public accountant, public accountant, or accountant practitioner holding a certificate or registered under IC 25-2.1 while performing the practice of accountancy (as defined by IC 25-2.1-1-10);
 - Any broker-dealer, agent, or investment advisor registered under IC 23-19;
 - Any person that procures, promises to procure or assist in procuring a loan that is not subject to the Truth in Lending Act (15 U.S.C. 1601 through 1667e);
 - Any community development corporation (as defined in IC 4-4-28-2) acting as a sub recipient of funds from the Indiana Housing and Community Development Authority established by IC 5-20-1-3;

Amendments

- Effective November 1, 2008 the applications for [Loan Broker's License](#), [Principal Manager's Registration](#) and [Loan Originator's Registration](#) should only be used for those licensees and registrants who need to amend, surrender or terminate their license or registration and have not yet transitioned onto NMLS.

HEA 1359 required that the Securities Division and Department of Financial Institutions issue guidelines by September 1, 2008 informing lenders and loan brokers of the appropriate agency by which they will be regulated. These guidelines can be found at [Joint Guidelines for Licensing](#).